

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **23 PCO 413**

DURING THE ACADEMIC YEAR 2023-24 ONLY)

REG.NO. 

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**  
**END-OF-SEMESTER EXAMINATIONS : MAY – 2025**

**M.Com.****MAXIMUM MARKS: 75****IV SEMESTER****TIME : 3 HOURS**

**ACCOUNTING FOR MANAGERIAL DECISION MAKING**  
**SECTION – A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS. (K1)**

1. In which is denotes Management Accounting?
  - a) Preparation of financial statements b) Analysis and interpretation of data
  - c) Recording of transactions d) Interpret the financial data
2. Which ratio is otherwise called as Liquid ratio?
  - a) Acid-test b) Current c) Operating d) Debt-equity
3. Select 'Cash flow' denotes?
  - a) Cash receipts only b) cash Payments only
  - c) Cash receipt and payments d) cash and non-cash income and expenses
4. Which one of the Budget change with the level of activity?
  - a) Flexible b) Fixed c) Cash d) Master
5. Which one is the difference between the sales and variable cost?
  - a) Fixed cost b) Contribution c) Flexible cost d) Profit

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)**

6. What do you mean by Management Accounting?
7. Tell the kinds of Profitability Ratio?
8. What is cash flow statement?
9. Mention the types of budget.
10. Find Marginal Costing?

**SECTION – B (5 X 5 = 25 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Classify the objectives of Management Accounting.

**(OR)**

11. b) Distinguish Between Management Accounting and Financial Accounting.
12. a) Identify Gross profit Ratio from the following figures:

Particulars	Amount (Rs.)
Sales	10,00,000
Sales returns	1,00,000
Opening stock	2,00,000
Purchases	6,00,000
Purchase Returns	1,50,000
Closing stock	65,000

(OR)

b) Identify net profit ratio, from the following details of a business concern?

Particulars	Amount (Rs.)
Sales	3,50,000
Cost of goods sold	1,50,000
Administration Expenses	50,000
Selling expenses	10,000

13. a) Calculate cash flow operation from the particulars.

Particulars	Amount (Rs.)
Total sales	80,000
Debtors at the beginning	6,000
Debtors at the end	11,000
Total purchases	60,000
Creditors at the beginning	10,000
Creditors at the end	15,000
Total operating expenses	6,000
Prepaid expenses at the beginning	2,000
Prepaid expenses at the end	1,000
Outstanding expenses at the end	2,000

(OR)

b) Compare the difference between Fund Flow Statement and Cash Flow Statement.

14. a) Formulate a production budget for each month and a summarized production cost budget for the six months period ending 31<sup>st</sup> December, 2005 from the following data of product 'S'.

Months	Amount (Rs.)
July, 2005	1,100
August	1,100
September	1,700
October	1,900
November	2,500
December	2,300
January 2006	2,000

(OR)

b) Construct a production budget for three months ended March 31, 1998 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock 1.1.98 (Units)	Estimated stock on 31.12.98 (Units)	Sales during Jan – March (Units)
A	4,000	6,000	20,000
B	6,000	10,000	30,000
C	8,000	6,000	26,000
D	6,000	4,000	24,000

15. a) From the following information, Calculate the Break – Even Point in units.  
 Output = 3,000 units  
 Selling price per unit = Rs. 30  
 Variable cost per unit = Rs. 20  
 Total fixed cost = Rs. 20,000

(OR)

(CONTD .... 3)

b) Find the amount of variable cost from the following particulars:  
 1. Sales- Rs.1,50,000 2. Fixed cost - Rs.30,000 and 3. Profit - Rs.40,000.

**SECTION – C** **(5 X 8 = 40 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.** **(K4/K5)**

16. a) Measure the functions of Management Accounting.

**(OR)**

b) Appraise the Scope of Management Accounting.

17. a) From the following information: Calculate i) Current ratio  
 ii) Liquidity ratio  
 iii) Liquid Assets

Particulars	Amount (Rs.)
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

**(OR)**

b) Given: Current Ratio = 2.8

Acid-test Ratio = 1.5

Working capital = Rs. 1,62,000

Assess : a) Current assets b) Current liabilities and c) Liquid assets.

18. a) Statement of financial position of Mr. Arun is given below: formulate Cash Flow Statement.

Liabilities	1.1.98	31.12.98	Assets	1.1.98	31.12.98
Accounts payable	29,000	25,000	Cash	40,000	30,000
Capital	7,39,000	6,15,000	Debtors	20,000	17,000
			Stock	8,000	13,000
			Building	1,00,000	80,000
			Other Fixed Assets	6,00,000	5,00,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional information:

1. There were no drawings.

2. There were no purchases or sale of either building or other fixed assets.

**(OR)**

b) From the following P&L A/c Determine cash from operation:

Particulars	Rs.	Particulars	Rs.
To salary	2,000	By Gross profit	5,000
To Depreciation	1,000	By Profit on sale of building	5,000
To Loss on sale of furniture	500		
To Goodwill	1,000		
To Net profit	5,500		
	10,000		10,000

**(CONTD .... 4)**

19. a) The expenses for the production of 5,000 units in a factory are given below :

Particulars	Per unit (Rs.)
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed )	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for the production of 7,000 units.

(OR)

b) A company is expecting to have Rs.32,000 cash in hand on 1.4.2005 and it requests you to prepare cash budget for the three months, April to June 2005. The following information is supplied to you.

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February	70,000	44,000	6,000	5,000
March	80,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	1,00,000	68,000	11,000	9,000
June	1,20,000	62,000	14,000	9,000

Other information:

1. Period of credit allowed by suppliers is two months.
2. 25% of sales is for cash and the period of credit allowed to customers for credit sales is one month.
3. Delay in payment of wages and expenses one month.
4. Income tax Rs. 28,000 is to be paid in June 2005.

20. a) The sales turnover and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2003	1,40,000	15,000
2004	1,60,000	20,000

You are required to calculate: 1. P/v Ratio 2. Sales required to earn a profit of Rs.40,000 and 3. Profit when sales are Rs.1,20,000.

(OR)

b) The sales turnover and profit during two periods were as follows:

Period 1      Sales Rs.20 Lakhs      Profit Rs. 2 Lakhs

Period 2      Sales Rs. 30 Lakhs      Profit Rs. 4 Lakhs

Calculate:

1. P/V Ratio.

2. Sales required to earn a profit of Rs. 5 Lakhs and

3. Profit when sales are Rs. 10 Lakhs.